



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Enforcement
Bureau of Consumer Protection

May 26, 1999

Robert A. Enholm
General Counsel
Crown Crafts, Inc.
1600 Riveredge Parkway, Suite 200
Atlanta, GA 30328

Dear Mr. Enholm:

Thank you for your letter of March 31, 1999, responding to our inquiry of January 14, 1999. Our inquiry concerned an allegation that your company may have distributed certain twin sheet sets labeled as "Made in the USA" on the outer package, even though the sheets themselves allegedly were labeled "Made in China."

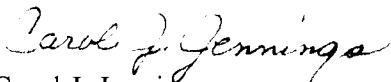
In your response, you stated that there appears to have been an unintentional error in the "country of origin" marking on these products. The sheets had originally been made in China and imported into the USA, where they were packaged under the name of a major retailer. The sheets and packages were properly labeled with country of origin. After the program with the retailer had run its course, Crown Crafts arranged to sell the remaining inventory, as is customary, in "close out" or "discount" channels of trade. To sell the product in "close out," Crown Craft renamed the product line and repackaged the product so that it no longer was labeled with the name of the major retailer. In performing that repackaging, it appears that Crown Craft mistakenly used an insert on the twin sheet sets that read "Made in the USA" when it should have read "Made in China."

You state your belief that this episode is an isolated, unintentional error, and that you have called this incident to the attention of appropriate personnel at Crown Crafts so that they will continue to remain vigilant that mistakes such as this do not occur.

We would caution Crown Crafts that a representation that a product is "Made in the USA" is likely to be a material claim to many consumers, and it is very important that such statements be fully accurate. However, based on the facts as you have described them, we have determined that no further inquiry or investigation of the matter is warranted at this time. Accordingly, the matter has been closed. This action is not to be construed as a determination

that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely yours,


Carol J. Jennings